- The NSP seeks to support developing of risk-hedging instruments like futures and derivatives to contain price volatility in the steel market.
- The NSP seeks to strengthen the existing training and research facilities available to the domestic steel industry so as to provide suitable training programmes especially for the secondary small-scale units and also to collect and analyze data on important parameters of the industry.
- The NSP seeks to mount aggressive R&D efforts to create manufacturing capability for special types of steel, substitute coking coal, use iron ore fines, develop new products suited to rural needs, enhance material and energy efficiency, utilize waste, and arrest environmental degradation.
- The NSP acknowleges the important role played by the secondary steel sector in providing employment, meeting local demand of steel in rural and semi-urban areas, and meeting the country's demand of some special products and seeks to endeavour to provide the necessary feedstock to these units at reasonable prices from major plants through the existing mechanism of State Small Industries Corporations.
- The NSP recognizes the fact that intergration of the Indian steel industry with the global economy requires that the industry should be protected from unfair trade practices, which become common especially during periods of downturn. The NSP therefore, envisages, institution of mechanisms for import surveillance, and monitoring export subsidies in other countries.

Rise in prices of raw materials for steel production

†1198. SHRI RAVI SHANKAR PRASAD:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of STEEL be pleased to state:

(a) whether is a fact that rise in the prices of raw material required for steel production has been assessed 8.56 per cent during the year 2005;

(b) if not, the assessment of Goverment in this regard;

(c) whether the said price-rise has also affected the sale price of steel for the consumers in the country; and

†Original notice of the question was received in Hindi.

(c) if so, the extent of increase in the sale price of steel for the consumers in the country during the said period?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) and (b) Since January 2005, the prices of some of the raw materials used in the production of steel have increased while others have decreased. Various steel producing companies use different qualities and quantum of raw material depending upon the technology adopted. Hence, the impact of changes in raw material prices is different for different companies and it is not possible to work out the weighted average increase of increase of decrease for the entire industry.

(c) Steel prices are largely determined by international prices and the demand and supply conditions prevailing in the market. A general sustained increase in cost of production over a long period which is widespread in the industry may impact the price of steel.

(d) As per information available in the Mumbai market, prices of steel products in general decreased from January to November, 2005 by about 7% to 23% depending on the products.

Effect of iron-ore allocation to foreign companies on Steel Industries

†1199. SHRIMATI KUM KUM RAI: Will the Minister of STEEL be pleased to state:

(a) whether the allocation of iron-ore to the foreign steel companies in the country in large quantity is going to prove deterimental to the growth and prospects of the Indian Steel Industries;

(b) whether Government have formulated a comprehensive policy in this regard; and

(c) if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) As per the information available M/s Pohang Steel Company (POSCO) of South Korea has signed a Memorandum of Understanding (MoU) with Government of Orissa for setting up integrated steel plant of 12 million tonnes capacity and as per this MoU, Government of Orissa have agreed for recommending allocation of 600 million tonnes of iron-ore reserve to be used in 30 years in favour of POSCO. Similarly, it is reported that M/s Mittal Steel Company has signed a Memorandum of Understanding (MoU) with Government of Jharkhand for

†Original notice of the question was received in Hindi.